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Director of Central Intelligence

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7/31

Chief, Central Planning Staff

Reference No. 12 Enclosures
Chief of
Agency Re-
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TAB B - Memo re-
questing
Agency Re-
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TAB C - Draft of
N.I.A. Paper

Subject: Adequacy of Existing Intelligence Facilities Within the State, War and Navy Departments

1. Under the authority of C.I.G. Directive No. 12, issued 7 June 1946, the Central Intelligence Group made a survey of the intelligence facilities in each of the intelligence agencies of the Departments of State, War and Navy to ascertain whether these agencies could adequately perform under present personnel allotments their intelligence functions as determined by the national intelligence mission. A resume of the survey was made by the Support Branch, Central Planning Staff, and is attached as TAB A for your information.

2. A brief of that part of the survey which applies to the extent of personnel reduction for 1947 of each agency follows:

a. ACAS/2, Headquarters Army Air Force, recommended a total of 615 persons for their postwar intelligence program, but received an authorization of 366, entailing a reduction of 249. This reduction in personnel will

Army, USAF, ONI and State
Dept. review(s) completed.

TOP SECRET

force the organization to curtail or eliminate many vital functions.

b. The Office of the Director of Intelligence, WDGS (including the Army Security Agency) recommended a postwar strength of 7547. The personnel allotment as authorized as of the current date by the Office of the Chief of Staff is 3238. It is apparent that the sizable personnel reductions will require considerable revision of the intelligence program particularly in A.S.A. and will seriously impair the effective accomplishment of the overall intelligence mission.

c. 1528 is a carefully computed irreducible minimum number required to carry out the Navy overall intelligence mission. ONI was authorized 1233, entailing a reduction of 295.

d. A reduction of 51 positions (\$490,000) was made in the State Department intelligence program. This reduction postpones a realization of the objectives of the research attache program contemplated by the Special Assistant to the Secretary of State for Research and Intelligence.

3. A 14 per cent pay increase was granted by the Congress to civilian employees of the Federal Government. No provision was made, however, by the Congress for further appropriation of monies to the Departments to offset the greater expenditures required by the pay increase. It appears that the Departments may be forced to suffer a net reduction in personnel strength in order to absorb the pay increase and stay within the current appropriations. The effect of this action, if taken, on the scope of the intelligence program cannot be determined at this time.

4. It is obvious from the above drastic reductions from the estimated minimums of personnel requirements that the agencies are seriously hampered and cannot effectively fulfill their intelligence missions as they see them. This has a direct effect upon the intelligence produced in relation to the national security. It not only hampers CIG, but places a greater responsibility on CIG to augment the agency work.

5. The necessity for the maintenance of a well-rounded intelligence program is a major lesson derived from World War II. The military services realized this early in the war. State followed by absorbing the OSS Research and Analysis Branch in October 1945. Every effort should be made to maintain these organizations at a high standard of efficiency - a standard which is seriously jeopardized by the personnel cuts imposed.

6. It is recommended that:

a. the Director of Central Intelligence approve the enclosed memorandum TAB C

b. the Director of Central Intelligence see the Secretaries of War, Navy and State to point out to them the drastic effect of the intelligence personnel cuts within their Departments and to urge that they take such steps as are within their means to improve present intelligence personnel allowances.

c. further study of this matter if desired by the Director should be referred to the Inter-departmental ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ Coordinating and Planning Staff.

Signed 8/1
C. E. OLSEN